

**United States Bankruptcy Court  
Western District of Texas - Austin**

In re **Diversified Solutions, Inc.**

Debtor(s)

Case No. **14-10069**Chapter **11**

**STATEMENT OF FINANCIAL AFFAIRS**

This statement is to be completed by every debtor. Spouses filing a joint petition may file a single statement on which the information for both spouses is combined. If the case is filed under chapter 12 or chapter 13, a married debtor must furnish information for both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed. An individual debtor engaged in business as a sole proprietor, partner, family farmer, or self-employed professional, should provide the information requested on this statement concerning all such activities as well as the individual's personal affairs. To indicate payments, transfers and the like to minor children, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. § 112; Fed. R. Bankr. P. 1007(m).

Questions 1 - 18 are to be completed by all debtors. Debtors that are or have been in business, as defined below, also must complete Questions 19 - 25. **If the answer to an applicable question is "None," mark the box labeled "None."** If additional space is needed for the answer to any question, use and attach a separate sheet properly identified with the case name, case number (if known), and the number of the question.

*DEFINITIONS*

*"In business."* A debtor is "in business" for the purpose of this form if the debtor is a corporation or partnership. An individual debtor is "in business" for the purpose of this form if the debtor is or has been, within six years immediately preceding the filing of this bankruptcy case, any of the following: an officer, director, managing executive, or owner of 5 percent or more of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership; a sole proprietor or self-employed full-time or part-time. An individual debtor also may be "in business" for the purpose of this form if the debtor engages in a trade, business, or other activity, other than as an employee, to supplement income from the debtor's primary employment.

*"Insider."* The term "insider" includes but is not limited to: relatives of the debtor; general partners of the debtor and their relatives; corporations of which the debtor is an officer, director, or person in control; officers, directors, and any persons in control of a corporate debtor and their relatives; affiliates of the debtor and insiders of such affiliates; and any managing agent of the debtor. 11 U.S.C. § 101(2), (31).

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**1. Income from employment or operation of business**

None

☐

State the gross amount of income the debtor has received from employment, trade, or profession, or from operation of the debtor's business, including part-time activities either as an employee or in independent trade or business, from the beginning of this calendar year to the date this case was commenced. State also the gross amounts received during the **two years** immediately preceding this calendar year. (A debtor that maintains, or has maintained, financial records on the basis of a fiscal rather than a calendar year may report fiscal year income. Identify the beginning and ending dates of the debtor's fiscal year.) If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income of both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

|                       |                                  |
|-----------------------|----------------------------------|
| AMOUNT                | SOURCE                           |
| <b>\$147,479.00</b>   | <b>2014 YTD: Business Income</b> |
| <b>\$2,590,269.00</b> | <b>2013: Business Income</b>     |
| <b>\$2,567,645.00</b> | <b>2012: Business Income</b>     |

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**2. Income other than from employment or operation of business**

None

☒

State the amount of income received by the debtor other than from employment, trade, profession, or operation of the debtor's business during the **two years** immediately preceding the commencement of this case. Give particulars. If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income for each spouse whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

|        |        |
|--------|--------|
| AMOUNT | SOURCE |
|--------|--------|

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2**3. Payments to creditors**

None

**Complete a. or b., as appropriate, and c.**

a. *Individual or joint debtor(s) with primarily consumer debts:* List all payments on loans, installment purchases of goods or services, and other debts to any creditor made within **90 days** immediately preceding the commencement of this case unless the aggregate value of all property that constitutes or is affected by such transfer is less than \$600. Indicate with an asterisk (\*) any payments that were made to a creditor on account of a domestic support obligation or as part of an alternative repayment schedule under a plan by an approved nonprofit budgeting and credit counseling agency. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS  
OF CREDITORDATES OF  
PAYMENTS

AMOUNT PAID

AMOUNT STILL  
OWING

None

b. *Debtor whose debts are not primarily consumer debts:* List each payment or other transfer to any creditor made within **90 days** immediately preceding the commencement of the case unless the aggregate value of all property that constitutes or is affected by such transfer is less than \$6,225\*. If the debtor is an individual, indicate with an asterisk (\*) any payments that were made to a creditor on account of a domestic support obligation or as part of an alternative repayment schedule under a plan by an approved nonprofit budgeting and credit counseling agency. (Married debtors filing under chapter 12 or chapter 13 must include payments and other transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR

DATES OF  
PAYMENTS/  
TRANSFERSAMOUNT  
PAID OR  
VALUE OF  
TRANSFERSAMOUNT STILL  
OWING**See attached schedule SOFA 3b****\$0.00****\$0.00**

None

c. *All debtors:* List all payments made within **one year** immediately preceding the commencement of this case to or for the benefit of creditors who are or were insiders. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR AND  
RELATIONSHIP TO DEBTOR

DATE OF PAYMENT

AMOUNT PAID

AMOUNT STILL  
OWING**See attached schedule SOFA 3c****\$0.00****\$0.00****4. Suits and administrative proceedings, executions, garnishments and attachments**

None

a. List all suits and administrative proceedings to which the debtor is or was a party within **one year** immediately preceding the filing of this bankruptcy case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

CAPTION OF SUIT  
AND CASE NUMBERNATURE OF  
PROCEEDINGCOURT OR AGENCY  
AND LOCATIONSTATUS OR  
DISPOSITION**Case No. 3:12-cv-00716 (WWE)****Civil Action****US District Court****Pending****Garnet Analytics, Inc.****District of Connecticut (Bridgeport)****pre-trial****vs.****Diversified Solutionsw, Inc.,****Michael Lundy, and****Brian Sol**

None

b. Describe all property that has been attached, garnished or seized under any legal or equitable process within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

\* Amount subject to adjustment on 4/01/16, and every three years thereafter with respect to cases commenced on or after the date of adjustment.

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| NAME AND ADDRESS OF PERSON FOR WHOSE<br>BENEFIT PROPERTY WAS SEIZED                           | DATE OF SEIZURE                            | DESCRIPTION AND VALUE OF<br>PROPERTY                     |
|---|--|--|
| <b>Garnet Analytics, Inc.</b><br><b>324 Elm Street, Suite 103B</b><br><b>Monroe, CT 06468</b> | <b>03/14/2013 and</b><br><b>12/12/2013</b> | <b>US Bank Account</b><br><b>\$1,600,144.40</b>          |
| <b>Garnet Analytics, Inc.</b><br><b>324 Elm Street, Suite 103B</b><br><b>Monroe, CT 06468</b> | <b>03/14/2013 and</b><br><b>12/12/2013</b> | <b>Wells Fargo Bank Account</b><br><b>\$2,434.28</b>     |
| <b>Garnet Analytics, Inc.</b><br><b>324 Elm Street, Suite 103B</b><br><b>Monroe, CT 06468</b> | <b>03/14/2013 and</b><br><b>12/12/2013</b> | <b>US Bank Account (Brian Sol)</b><br><b>\$29,519.00</b> |

**5. Repossessions, foreclosures and returns**

- None ☐ List all property that has been repossessed by a creditor, sold at a foreclosure sale, transferred through a deed in lieu of foreclosure or returned to the seller, within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| NAME AND ADDRESS OF<br>CREDITOR OR SELLER | DATE OF REPOSSESSION,<br>FORECLOSURE SALE,<br>TRANSFER OR RETURN | DESCRIPTION AND VALUE OF<br>PROPERTY |
|---|--|--------------------------------------|
|---|--|--------------------------------------|

**6. Assignments and receiverships**

- None ☐ a. Describe any assignment of property for the benefit of creditors made within **120 days** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include any assignment by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| NAME AND ADDRESS OF ASSIGNEE | DATE OF<br>ASSIGNMENT | TERMS OF ASSIGNMENT OR SETTLEMENT |
|------------------------------|-----------------------|-----------------------------------|
|------------------------------|-----------------------|-----------------------------------|

- None ☐ b. List all property which has been in the hands of a custodian, receiver, or court-appointed official within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| NAME AND ADDRESS<br>OF CUSTODIAN | NAME AND LOCATION<br>OF COURT<br>CASE TITLE & NUMBER | DATE OF<br>ORDER | DESCRIPTION AND VALUE OF<br>PROPERTY |
|----------------------------------|--|------------------|--------------------------------------|
|----------------------------------|--|------------------|--------------------------------------|

**7. Gifts**

- None ☐ List all gifts or charitable contributions made within **one year** immediately preceding the commencement of this case except ordinary and usual gifts to family members aggregating less than \$200 in value per individual family member and charitable contributions aggregating less than \$100 per recipient. (Married debtors filing under chapter 12 or chapter 13 must include gifts or contributions by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| NAME AND ADDRESS OF<br>PERSON OR ORGANIZATION | RELATIONSHIP TO<br>DEBTOR, IF ANY | DATE OF GIFT | DESCRIPTION AND<br>VALUE OF GIFT |
|---|-----------------------------------|--------------|----------------------------------|
|---|-----------------------------------|--------------|----------------------------------|

**8. Losses**

- None ☐ List all losses from fire, theft, other casualty or gambling within **one year** immediately preceding the commencement of this case **or since the commencement of this case**. (Married debtors filing under chapter 12 or chapter 13 must include losses by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| DESCRIPTION AND VALUE<br>OF PROPERTY | DESCRIPTION OF CIRCUMSTANCES AND, IF<br>LOSS WAS COVERED IN WHOLE OR IN PART<br>BY INSURANCE, GIVE PARTICULARS | DATE OF LOSS |
|--------------------------------------|--|--------------|
|--------------------------------------|--|--------------|

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**9. Payments related to debt counseling or bankruptcy**

None

☐

List all payments made or property transferred by or on behalf of the debtor to any persons, including attorneys, for consultation concerning debt consolidation, relief under the bankruptcy law or preparation of the petition in bankruptcy within **one year** immediately preceding the commencement of this case.

| NAME AND ADDRESS<br>OF PAYEE  | DATE OF PAYMENT,<br>NAME OF PAYER IF OTHER<br>THAN DEBTOR | AMOUNT OF MONEY<br>OR DESCRIPTION AND VALUE<br>OF PROPERTY |
|---|---|--|
| <b>Husch Blackwell LLP</b><br><b>111 Congress Avenue, Suite 1400</b><br><b>Austin, TX 78701</b> | <b>01/14/2014</b>   | <b>\$50,000.00</b>   |

**10. Other transfers**

None

☒

a. List all other property, other than property transferred in the ordinary course of the business or financial affairs of the debtor, transferred either absolutely or as security within **two years** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| NAME AND ADDRESS OF TRANSFEREE,<br>RELATIONSHIP TO DEBTOR | DATE | DESCRIBE PROPERTY TRANSFERRED<br>AND VALUE RECEIVED |
|---|------|---|
|---|------|---|

None

☒

b. List all property transferred by the debtor within **ten years** immediately preceding the commencement of this case to a self-settled trust or similar device of which the debtor is a beneficiary.

| NAME OF TRUST OR OTHER<br>DEVICE | DATE(S) OF<br>TRANSFER(S) | AMOUNT OF MONEY OR DESCRIPTION AND<br>VALUE OF PROPERTY OR DEBTOR'S INTEREST<br>IN PROPERTY |
|----------------------------------|---------------------------|---|
|----------------------------------|---------------------------|---|

**11. Closed financial accounts**

None

☒

List all financial accounts and instruments held in the name of the debtor or for the benefit of the debtor which were closed, sold, or otherwise transferred within **one year** immediately preceding the commencement of this case. Include checking, savings, or other financial accounts, certificates of deposit, or other instruments; shares and share accounts held in banks, credit unions, pension funds, cooperatives, associations, brokerage houses and other financial institutions. (Married debtors filing under chapter 12 or chapter 13 must include information concerning accounts or instruments held by or for either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| NAME AND ADDRESS OF INSTITUTION | TYPE OF ACCOUNT, LAST FOUR<br>DIGITS OF ACCOUNT NUMBER,<br>AND AMOUNT OF FINAL BALANCE | AMOUNT AND DATE OF SALE<br>OR CLOSING |
|---------------------------------|--|---------------------------------------|
|---------------------------------|--|---------------------------------------|

**12. Safe deposit boxes**

None

☒

List each safe deposit or other box or depository in which the debtor has or had securities, cash, or other valuables within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include boxes or depositories of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| NAME AND ADDRESS OF BANK<br>OR OTHER DEPOSITORY | NAMES AND ADDRESSES<br>OF THOSE WITH ACCESS<br>TO BOX OR DEPOSITORY | DESCRIPTION<br>OF CONTENTS | DATE OF TRANSFER OR<br>SURRENDER, IF ANY |
|---|---|----------------------------|--|
|---|---|----------------------------|--|

**13. Setoffs**

None

☐

List all setoffs made by any creditor, including a bank, against a debt or deposit of the debtor within **90 days** preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

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## NAME AND ADDRESS OF CREDITOR

**Halloran & Sage LLP**  
**Attn: Joseph J. Arcata, III, Esq.**  
**One Goodwin Square**  
**225 Asylum St.**  
**Hartford, CT 06103**

## DATE OF SETOFF

**Pre-petition setoff against retainer**

## AMOUNT OF SETOFF

**88,000.00****14. Property held for another person**

None



List all property owned by another person that the debtor holds or controls.

## NAME AND ADDRESS OF OWNER

**Michael Lundy**  
**8101 Avella Drive**  
**Austin, TX 78729**

## DESCRIPTION AND VALUE OF PROPERTY

**Various office equipment**

## LOCATION OF PROPERTY

**8101 Avella Drive**  
**Austin, TX 78729**

**Brian J. Sol****P.O. Box 2472****Stateline, NV 89449****Various office equipment****170 Cottonwood Drive****Stateline, NV 89449****15. Prior address of debtor**

None



If the debtor has moved within **three years** immediately preceding the commencement of this case, list all premises which the debtor occupied during that period and vacated prior to the commencement of this case. If a joint petition is filed, report also any separate address of either spouse.

## ADDRESS

**170 Cottonwood Drive**  
**Stateline, NV 89449**

## NAME USED

**Brian Sol**

## DATES OF OCCUPANCY

**08/2012****16. Spouses and Former Spouses**

None



If the debtor resides or resided in a community property state, commonwealth, or territory (including Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, or Wisconsin) within **eight years** immediately preceding the commencement of the case, identify the name of the debtor's spouse and of any former spouse who resides or resided with the debtor in the community property state.

NAME

**17. Environmental Information.**

For the purpose of this question, the following definitions apply:

"Environmental Law" means any federal, state, or local statute or regulation regulating pollution, contamination, releases of hazardous or toxic substances, wastes or material into the air, land, soil, surface water, groundwater, or other medium, including, but not limited to, statutes or regulations regulating the cleanup of these substances, wastes, or material.

"Site" means any location, facility, or property as defined under any Environmental Law, whether or not presently or formerly owned or operated by the debtor, including, but not limited to, disposal sites.

"Hazardous Material" means anything defined as a hazardous waste, hazardous substance, toxic substance, hazardous material, pollutant, or contaminant or similar term under an Environmental Law

None



a. List the name and address of every site for which the debtor has received notice in writing by a governmental unit that it may be liable or potentially liable under or in violation of an Environmental Law. Indicate the governmental unit, the date of the notice, and, if known, the Environmental Law:

SITE NAME AND ADDRESS

NAME AND ADDRESS OF  
GOVERNMENTAL UNIT

DATE OF  
NOTICE

ENVIRONMENTAL  
LAW

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- None ☒ b. List the name and address of every site for which the debtor provided notice to a governmental unit of a release of Hazardous Material. Indicate the governmental unit to which the notice was sent and the date of the notice.

| SITE NAME AND ADDRESS | NAME AND ADDRESS OF GOVERNMENTAL UNIT | DATE OF NOTICE | ENVIRONMENTAL LAW |
|-----------------------|---------------------------------------|----------------|-------------------|
|-----------------------|---------------------------------------|----------------|-------------------|

- None ☒ c. List all judicial or administrative proceedings, including settlements or orders, under any Environmental Law with respect to which the debtor is or was a party. Indicate the name and address of the governmental unit that is or was a party to the proceeding, and the docket number.

| NAME AND ADDRESS OF GOVERNMENTAL UNIT | DOCKET NUMBER | STATUS OR DISPOSITION |
|---------------------------------------|---------------|-----------------------|
|---------------------------------------|---------------|-----------------------|

**18. Nature, location and name of business**

- None ☒ a. *If the debtor is an individual*, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was an officer, director, partner, or managing executive of a corporation, partner in a partnership, sole proprietor, or was self-employed in a trade, profession, or other activity either full- or part-time within **six years** immediately preceding the commencement of this case, or in which the debtor owned 5 percent or more of the voting or equity securities within **six years** immediately preceding the commencement of this case.

*If the debtor is a partnership*, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities, within **six years** immediately preceding the commencement of this case.

*If the debtor is a corporation*, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities within **six years** immediately preceding the commencement of this case.

| NAME | LAST FOUR DIGITS OF SOCIAL-SECURITY OR OTHER INDIVIDUAL TAXPAYER-I.D. NO. (ITIN)/ COMPLETE EIN | ADDRESS | NATURE OF BUSINESS | BEGINNING AND ENDING DATES |
|------|--|---------|--------------------|----------------------------|
|------|--|---------|--------------------|----------------------------|

- None ☒ b. Identify any business listed in response to subdivision a., above, that is "single asset real estate" as defined in 11 U.S.C. § 101.

| NAME | ADDRESS |
|------|---------|
|------|---------|

The following questions are to be completed by every debtor that is a corporation or partnership and by any individual debtor who is or has been, within **six years** immediately preceding the commencement of this case, any of the following: an officer, director, managing executive, or owner of more than 5 percent of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership, a sole proprietor, or self-employed in a trade, profession, or other activity, either full- or part-time.

(An individual or joint debtor should complete this portion of the statement **only** if the debtor is or has been in business, as defined above, within six years immediately preceding the commencement of this case. A debtor who has not been in business within those six years should go directly to the signature page.)

**19. Books, records and financial statements**

- None ☐ a. List all bookkeepers and accountants who within **two years** immediately preceding the filing of this bankruptcy case kept or supervised the keeping of books of account and records of the debtor.

| NAME AND ADDRESS   | DATES SERVICES RENDERED |
|--|-------------------------|
| Erick Lubich<br>Lubich & Lubich<br>18640 Sutter Blvd., Suite 100<br>Morgan Hill, CA 95037-8110 | 2004 to present         |

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## NAME AND ADDRESS

**Lubich & Lubich**  
**16375 Monterey Road, Suite N**  
**Morgan Hill, CA 95037**

## DATES SERVICES RENDERED

**2004 to present****Amber Giles**

**5102 Doss Road**  
**Austin, TX 78734**

**2012 to present**

None

☐

b. List all firms or individuals who within the **two years** immediately preceding the filing of this bankruptcy case have audited the books of account and records, or prepared a financial statement of the debtor.

## NAME

**Lubich & Lubich**

## ADDRESS

**16375 Monterey Road, Suite N**  
**Morgan Hill, CA 95037**

## DATES SERVICES RENDERED

**2004 to present**

None

☐

c. List all firms or individuals who at the time of the commencement of this case were in possession of the books of account and records of the debtor. If any of the books of account and records are not available, explain.

## NAME

**Lubich & Lubich**

## ADDRESS

**16375 Monterey Road, Suite N**  
**Morgan Hill, CA 95037**

**Brian J. Sol**

**P.O. Box 2472**  
**Stateline, NV 89449**

**Michael Lundy**

**8101 Avella Drive**  
**Austin, TX 78729**

None

☐

d. List all financial institutions, creditors and other parties, including mercantile and trade agencies, to whom a financial statement was issued by the debtor within **two years** immediately preceding the commencement of this case.

## NAME AND ADDRESS

**Pullman & Comley, LLC**  
**P. O. Box 7006**  
**Bridgeport, CT 06601-7006**

## DATE ISSUED

**08/15/2013****20. Inventories**

None

☒

a. List the dates of the last two inventories taken of your property, the name of the person who supervised the taking of each inventory, and the dollar amount and basis of each inventory.

## DATE OF INVENTORY

## INVENTORY SUPERVISOR

DOLLAR AMOUNT OF INVENTORY  
(Specify cost, market or other basis)

None

☒

b. List the name and address of the person having possession of the records of each of the inventories reported in a., above.

## DATE OF INVENTORY

NAME AND ADDRESSES OF CUSTODIAN OF INVENTORY  
RECORDS**21. Current Partners, Officers, Directors and Shareholders**

None

☒

a. If the debtor is a partnership, list the nature and percentage of partnership interest of each member of the partnership.

## NAME AND ADDRESS

## NATURE OF INTEREST

## PERCENTAGE OF INTEREST

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- None ☐ b. If the debtor is a corporation, list all officers and directors of the corporation, and each stockholder who directly or indirectly owns, controls, or holds 5 percent or more of the voting or equity securities of the corporation.

| NAME AND ADDRESS  | TITLE                      | NATURE AND PERCENTAGE OF STOCK OWNERSHIP |
|---|----------------------------|--|
| <b>Brian J. Sol</b><br><b>P.O. Box 2472</b><br><b>Stateline, NV 89449</b>   | <b>VP/Treasurer/CFO</b>    | <b>50% Ownership</b>                     |
| <b>Michael Lundy</b><br><b>8101 Avella Drive</b><br><b>Austin, TX 78729</b> | <b>President &amp; CFO</b> | <b>50% Ownership</b>                     |

**22. Former partners, officers, directors and shareholders**

- None ☒ a. If the debtor is a partnership, list each member who withdrew from the partnership within **one year** immediately preceding the commencement of this case.

| NAME | ADDRESS | DATE OF WITHDRAWAL |
|------|---------|--------------------|
|------|---------|--------------------|

- None ☒ b. If the debtor is a corporation, list all officers, or directors whose relationship with the corporation terminated within **one year** immediately preceding the commencement of this case.

| NAME AND ADDRESS | TITLE | DATE OF TERMINATION |
|------------------|-------|---------------------|
|------------------|-------|---------------------|

**23. Withdrawals from a partnership or distributions by a corporation**

- None ☐ If the debtor is a partnership or corporation, list all withdrawals or distributions credited or given to an insider, including compensation in any form, bonuses, loans, stock redemptions, options exercised and any other perquisite during **one year** immediately preceding the commencement of this case.

| NAME & ADDRESS OF RECIPIENT, RELATIONSHIP TO DEBTOR   | DATE AND PURPOSE OF WITHDRAWAL  | AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY |
|---|---|--|
| <b>Brian J. Sol</b><br><b>P.O. Box 2472</b><br><b>Stateline, NV 89449</b><br><b>Owner</b>   | <b>01/15/2013 - 01/14/2014</b><br><b>Compensation/tax liability funding</b> | <b>See attached schedule SOFA 23</b>                 |
| <b>Michael Lundy</b><br><b>8101 Avella Drive</b><br><b>Austin, TX 78729</b><br><b>Owner</b> | <b>01/15/2013 - 01/14/2014</b><br><b>Compensation/tax liability funding</b> | <b>See attached schedule SOFA 23</b>                 |

**24. Tax Consolidation Group.**

- None ☒ If the debtor is a corporation, list the name and federal taxpayer identification number of the parent corporation of any consolidated group for tax purposes of which the debtor has been a member at any time within **six years** immediately preceding the commencement of the case.

| NAME OF PARENT CORPORATION | TAXPAYER IDENTIFICATION NUMBER (EIN) |
|----------------------------|--------------------------------------|
|----------------------------|--------------------------------------|

**25. Pension Funds.**

- None ☒ If the debtor is not an individual, list the name and federal taxpayer-identification number of any pension fund to which the debtor, as an employer, has been responsible for contributing at any time within **six years** immediately preceding the commencement of the case.

| NAME OF PENSION FUND | TAXPAYER IDENTIFICATION NUMBER (EIN) |
|----------------------|--------------------------------------|
|----------------------|--------------------------------------|

\* \* \* \* \*

**DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF CORPORATION OR PARTNERSHIP**



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I declare under penalty of perjury that I have read the answers contained in the foregoing statement of financial affairs and any attachments thereto and that they are true and correct to the best of my knowledge, information and belief.

Date January 28, 2014

Signature /s/ Michael Lundy  
**Michael Lundy**  
**Officer**

[An individual signing on behalf of a partnership or corporation must indicate position or relationship to debtor.]

*Penalty for making a false statement: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571*

**Diversified Solutions, Inc.**  
**Transaction List by Vendor**  
Since October 16, 2013

|                      | Date       | Transaction Type     | Num  | Memo/Description                          | Account          | Amount      |
|----------------------|------------|----------------------|------|---|------------------|-------------|
| Amber Giles          | 10/29/2013 | Bill Payment (Check) | 1540 |   | Bank of the West | -3,021.72   |
|                      | 11/11/2013 | Bill Payment (Check) | 1545 |   | Bank of the West | -803.19     |
|                      | 11/25/2013 | Bill Payment (Check) | 1550 |   | Bank of the West | -1,712.38   |
|                      | 12/11/2013 | Bill Payment (Check) | 1556 |   | Bank of the West | -1,429.43   |
|                      | 12/26/2013 | Bill Payment (Check) | 1573 |   | Bank of the West | -1,077.46   |
| Anthem Blue Cross    | 11/04/2013 | Check                | EFT  |   | Bank of the West | -242.00     |
|                      | 12/03/2013 | Check                | EFT  |   | Bank of the West | -242.00     |
| CH Services, Inc.    | 11/25/2013 | Bill Payment (Check) | 1549 |   | Bank of the West | -5,000.00   |
|                      | 12/24/2013 | Check                | EFT  |   | Bank of the West | -30,000.00  |
| Dan Hernandez        | 10/18/2013 | Bill Payment (Check) | 1536 | Bunge Commission                          | Bank of the West | -3,201.20   |
|                      | 01/14/2014 | Check                | 1581 | Tesoro Commissions                        | Bank of the West | -6,001.52   |
| Elizabeth Viveros    | 10/24/2013 | Bill Payment (Check) | 1539 |   | Bank of the West | -1,060.00   |
|                      | 11/11/2013 | Bill Payment (Check) | 1543 |   | Bank of the West | -900.00     |
|                      | 11/20/2013 | Bill Payment (Check) | 1548 |   | Bank of the West | -460.00     |
|                      | 12/06/2013 | Bill Payment (Check) | 1552 |   | Bank of the West | -460.00     |
| Halloran & Sage LLP  | 11/29/2013 | Check                | EFT  | Legal Expense                             | Bank of the West | -122,227.46 |
| Janerio Kennedy      | 12/02/2013 | Bill Payment (Check) | 1551 | Sponsor for the NFL Play 60 Flag Football | Bank of the West | -200.00     |
| Kondler & Associates | 10/16/2013 | Bill Payment (Check) | 1534 |   | Bank of the West | -20,000.00  |
|                      | 11/11/2013 | Bill Payment (Check) | 1541 |   | Bank of the West | -20,000.00  |
|                      | 12/11/2013 | Bill Payment (Check) | 1555 |   | Bank of the West | -20,000.00  |
|                      | 12/31/2013 | Check                | 1580 |   | Bank of the West | -20,000.00  |
| Larry Conklin        | 10/24/2013 | Bill Payment (Check) | 1538 |   | Bank of the West | -877.50     |
|                      | 11/11/2013 | Bill Payment (Check) | 1542 |   | Bank of the West | -945.00     |
|                      | 11/20/2013 | Bill Payment (Check) | 1547 |   | Bank of the West | -800.00     |
|                      | 12/06/2013 | Bill Payment (Check) | 1553 |   | Bank of the West | -165.00     |
|                      | 12/26/2013 | Bill Payment (Check) | 1576 | Bonus                                     | Bank of the West | -3,000.00   |
| Patricia Menz        | 10/21/2013 | Bill Payment (Check) | 1537 |   | Bank of the West | -4,500.00   |
|                      | 11/20/2013 | Bill Payment (Check) | 1546 |   | Bank of the West | -4,500.00   |
|                      | 12/11/2013 | Bill Payment (Check) | 1557 |   | Bank of the West | -4,500.00   |
| PM3 Consulting, Inc. | 12/26/2013 | Bill Payment (Check) | 1575 | Sears Commission                          | Bank of the West | -59,440.00  |
|                      | 12/26/2013 | Check                | 1558 |   | Bank of the West | -15,000.00  |
|                      | 12/31/2013 | Check                | 1579 | Radioshack Commissions                    | Bank of the West | -23,596.64  |
| Unified Services     | 12/26/2013 | Bill Payment (Check) | 1574 |   | Bank of the West | -50,000.00  |
| US Bank              | 12/31/2013 | Check                | 1572 | Credit card 2106                          | Bank of the West | -4,065.42   |

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**Diversified Solutions, Inc**  
**Transaction Report**  
January 1, 2013 - January 23, 2014

|                        | Date       | Transaction Type | Num   | Name             | Memo/Description                                | Account            | Amount               |
|------------------------|------------|------------------|-------|------------------|---|--------------------|----------------------|
| Check                  | 04/15/2013 | Check            | 2387  | Brian J. Sol     | Partner Draw                                    | US Bank - Checking | -300,000.00          |
|                        | 04/15/2013 | Check            | 2386  | Michael J. Lundy | Partner Draw                                    | US Bank - Checking | -300,000.00          |
|                        | 07/31/2013 | Check            | 99005 | Brian J. Sol     | Reimbursement for legal expense to Cohen & Wolf | Bank of the West   | -20,000.00           |
|                        | 12/26/2013 | Check            | 1578  | Brian J. Sol     | Reimbursement for legal expense to Cohen & Wolf | Bank of the West   | -42,994.89           |
|                        | 12/26/2013 | Check            | 1577  | Michael J. Lundy | Reimbursement for legal expense to Cohen & Wolf | Bank of the West   | -42,979.89           |
|                        | 12/26/2013 | Check            | 1571  | Brian J. Sol     |   | Bank of the West   | -200,000.00          |
|                        | 01/02/2014 | Check            | 2001  | Michael J. Lundy |   | Members Trust      | -200,000.00          |
| <b>Total for Check</b> |            |                  |       |                  |   |                    | <b>-1,105,974.78</b> |

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**Diversified Solutions, Inc**  
**Transaction Report**  
January 1, 2013 - January 23, 2014

|                        | Date       | Transaction Type | Num   | Name             | Memo/Description                                | Account            | Amount               |
|------------------------|------------|------------------|-------|------------------|---|--------------------|----------------------|
| Check                  | 04/15/2013 | Check            | 2387  | Brian J. Sol     | Partner Draw                                    | US Bank - Checking | -300,000.00          |
|                        | 04/15/2013 | Check            | 2386  | Michael J. Lundy | Partner Draw                                    | US Bank - Checking | -300,000.00          |
|                        | 07/31/2013 | Check            | 99005 | Brian J. Sol     | Reimbursement for legal expense to Cohen & Wolf | Bank of the West   | -20,000.00           |
|                        | 12/26/2013 | Check            | 1578  | Brian J. Sol     | Reimbursement for legal expense to Cohen & Wolf | Bank of the West   | -42,994.89           |
|                        | 12/26/2013 | Check            | 1577  | Michael J. Lundy | Reimbursement for legal expense to Cohen & Wolf | Bank of the West   | -42,979.89           |
|                        | 12/26/2013 | Check            | 1571  | Brian J. Sol     |   | Bank of the West   | -200,000.00          |
|                        | 01/02/2014 | Check            | 2001  | Michael J. Lundy |   | Members Trust      | -200,000.00          |
| <b>Total for Check</b> |            |                  |       |                  |   |                    | <b>-1,105,974.78</b> |

Thursday, Jan 23, 2014 07:46:53 PM PST GMT-6